

~~TOP SECRET~~

THIS DOCUMENT CONTAINS CODE WORD MATERIAL

NSA Dclassification/Release Instructions on File.

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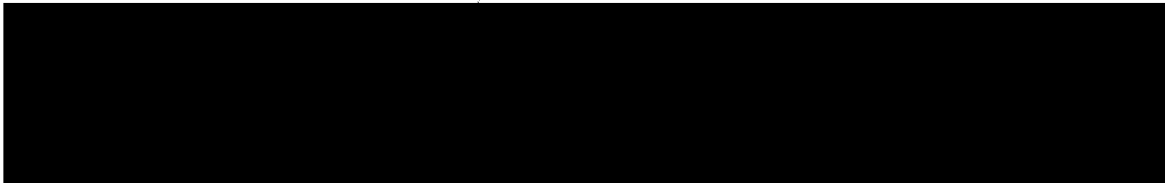
23 March 1955

NSC BRIEFING

CHICOM OIL

- I. ChiComs use 1.5 million tons POL annually, get over two-thirds of it from Soviet Bloc (This true in both '53 and '54).

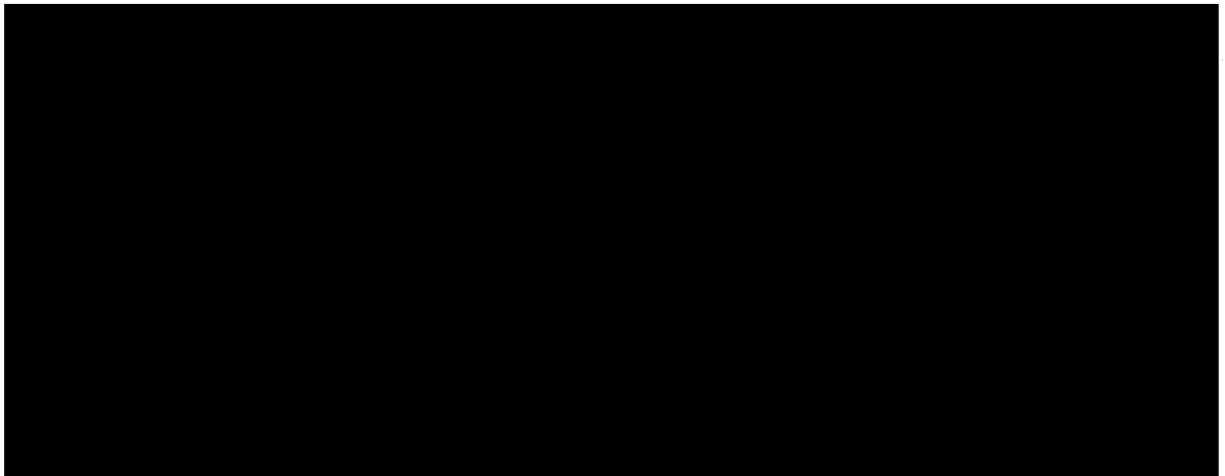
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- B. China itself produces less than one-third of its annual petroleum consumption.

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II.

A. This pattern likely to change with completion Trans-Mongolian railroad (via ^{ULAN BATOR 70} Tsining). New line, with annual capacity of some 2 million tons each way, will cut the haul across Siberia to China proper by about 680 miles.

B. If necessary, new line could carry considerably more than whole amount of Bloc POL now reaching China both by land and by water.

C. Line will also open up new Mongolian oil field (Sain Shanda) for exports to China.

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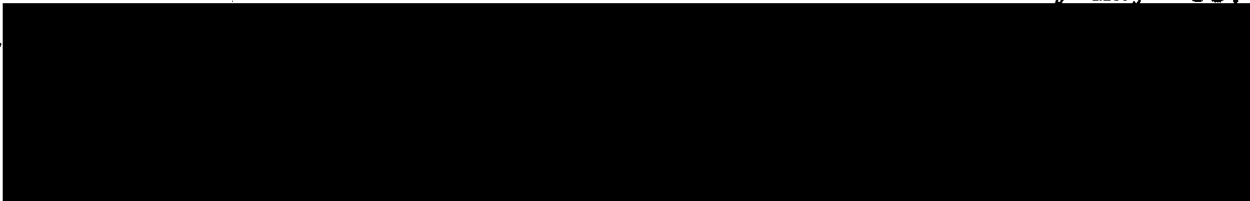
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D. On 15 Feb '55, Peiping announced Trans-Mongolian railroad is expected to be handling through traffic "before the year (1955) is out." In view of past rate of progress, line may well be open for at least partial traffic by May '55.

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III.

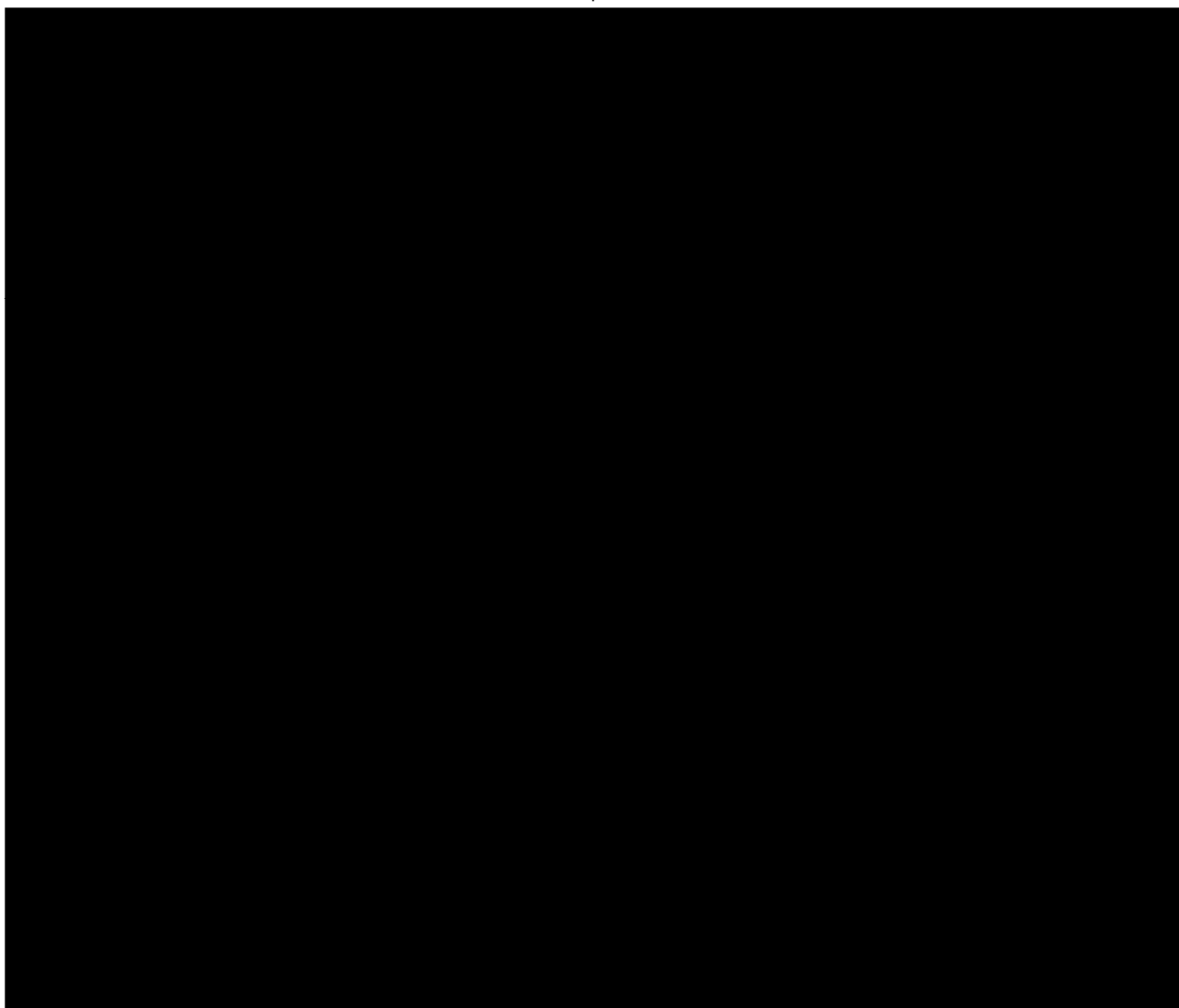


A. Since seizure of TUAPSE in June '54, however, only one Soviet tanker has delivered Black Sea petroleum directly to China.

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IV.



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V. These Polish tankers, although jointly owned, fly Polish flag.

This probably matter of convenience, in view past ChiNat seizures, legal ins-and-outs of "Blockade".

A. ~~It~~^{It} has been suggested that ChiComs actually have controlling interest in CHIPOLBROK (^{JOINT} the chartering organization that operates vessels in ~~the~~ China trade). ~~More likely, however, control is 50-50.~~

B. ~~HOWEVER, NO FIRM EVIDENCE ON THIS POINT~~

C. Has also been suggested that, since Poles lost PRACA to ChiNats, almost lost KARPATY, they cooling in enthusiasm for China trade.

VI

VI. (not in this text: deals with HK Black Market)

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